

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**ENERGY DIVISION**

**RESOLUTION E-4855**

**June 15, 2017**

**R E S O L U T I O N**

Resolution E-4855. Southern California Edison Power Displacement Agreement with Twenty-Nine Palms Band of Mission Indians and Chemehuevi Indian Tribe.

**PROPOSED OUTCOME:**

- This resolution approves the Southern California Edison (SCE) Power Displacement Agreements with the Twenty-Nine Palms Band of Mission Indians and the Chemehuevi Indian Tribe.

**SAFETY CONSIDERATIONS:**

- There is no known impact on safety.

**ESTIMATED COST:**

- There is no cost impact. The agreement is structured to leave SCE shareholders and bundled service customers indifferent.

By Advice Letter 3587-E, Filed on April 5, 2017.

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**SUMMARY**

This Resolution approves SCE's request to revise its tariff sheets to add the Power Displacement Agreements between SCE and the Twenty-Nine Palms Band of Mission Indians and the Chemehuevi Indian Tribe to the list of Contracts and Deviations.

The Twenty-Nine Palms Band of Mission Indians and the Chemehuevi Indian Tribe are bundled service customers of SCE. The Power Displacement Agreements allow SCE to receive the Tribes' allocations of Hoover Dam power in exchange for credit against the energy generation portion of the Tribes' monthly retail bills.

## **BACKGROUND**

The Hoover Power Allocation Act of 2011 provided allocations of Boulder Canyon Project (BCP) power to federally recognized Tribes for the period of October 1, 2017 – September 20, 2067. The final allocations include eight tribes within SCE territory.

AL 3587-E covers 10 year Power Displacement Agreements (PDAs) executed between SCE and two of the Tribes. The Twenty-Nine Palms Band of Mission Indians has a 1,323 kW allocation with 2,889,059 kWh firm energy, while the Chemehuevi Indian Tribe has a 1,400 kW allocation with 3,057,588 kWh firm energy.

Under the terms of the PDAs, SCE will take delivery of the power allocated to the Tribes beginning October 1, 2017 and the PDAs will remain in place until September 30, 2027 or whenever one of the parties terminate the agreement with notice. The Tribes are responsible for all arrangements necessary to allow SCE to take delivery of the allocations at the Mead 230-kV Bus.

SCE will combine the delivered allocations from the Tribes with its existing, much larger, BCP allocation and act as Scheduling Coordinator for the combined allocation. It will offer the combined allocation to the CAISO wholesale market according to least-cost dispatch principles as it currently does with its existing BCP allocation.

Each month, the Tribes will receive a Net Allocation Credit, the pro rata share of the CAISO Revenues, CAISO Costs and CAISO Sanctions, which will be used to offset the generation rate component of each Tribe's monthly SCE retail bill. Any excess credit will be rolled over to subsequent bills. Additionally, SCE will require the Tribes to pay a pro rata share of a \$5,000 monthly administration fee which SCE estimates to be the approximate incremental cost associated with administering the PDAs, including scheduling the Tribes' capacity and energy allocations, calculating the Net Allocation Credit, and manually administering retail bills.

This advice letter is filed in accordance with General Order 96-B, Energy Industry Rule 5.3(8) which directs Southern California Edison to file a Tier 3 Advice Letter for service to a government agency pursuant to General Rule 8.2.3.

## **NOTICE**

Notice of AL 3587-E was made by publication in the Commission's Daily Calendar. Southern California Edison states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

## **PROTESTS**

Advice Letter 3587-E was not protested.

## **DISCUSSION**

While the Tribes receive BCP allocations, they are not participants in the CAISO market so must sell the allocations to a market participant in order to benefit. The allocations are small. On an annual basis, the allocations to these tribes are expected to be less than their total consumption. This agreement allows the Tribes to sell to a market participant that already receives a BCP allocation, SCE, and minimizes market costs since the tribal allocations can be bid in combination with SCE's much larger allocation.

The PDAs allow SCE to assist the Tribes within its territory by enabling them to benefit from their BCP allocations. SCE will bid the energy into the market on behalf of the Tribes. Additionally, as structured, the agreements ensure that the Tribes bear any additional market costs to SCE associated with the Tribes' allocations so that SCE shareholders and all other bundled customers are financially indifferent. To effectuate this, SCE will allocate the Tribes a share of realized net CAISO revenue rather than a set monthly credit.

## **COMMENTS**

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments on May 8, 2017. No parties submitted comments.

**FINDINGS**

1. General Order 96-B, Energy Industry Rule 5.3(8) directs Southern California Edison to file a Tier 3 Advice Letter for service to a government agency pursuant to General Rule 8.2.3.
2. The Twenty-Nine Palms Band of Mission Indians and the Chemehuevi Indian Tribe have been allocated shares of the Boulder Canyon Project.
3. Under the negotiated Power Displacement Agreements, SCE will receive the Tribes' shares in exchange for credit against the energy generation portion of the Tribes' SCE monthly retail bills.
4. The Power Displacement Agreements are structured to make SCE's shareholders and other bundled service customers financially indifferent.

**THEREFORE IT IS ORDERED THAT:**

1. The request of the Southern California Edison Company to amend its tariff sheets to add the Power Displacement Agreements between Southern California Edison and the Twenty-Nine Palms Band of Mission Indians and the Chemehuevi Indian Tribe to the list of Contracts and Deviations as requested in Advice Letter AL 3587-E is approved.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on June 15, 2017 the following Commissioners voting favorably thereon:

/s/TIMOTHY J. SULLIVAN  
TIMOTHY J. SULLIVAN  
Executive Director

MICHAEL PICKER  
President  
CARLA J. PETERMAN  
LIANE M. RANDOLPH  
MARTHA GUZMAN ACEVES  
CLIFFORD RECHTSCHAFFEN  
Commissioners